The RD/Shell Group Chairman speaks:

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Energy systems must evolve to meet new needs, offer new choices and provide new solutions, Mark Moody-Stuart, Chairman of the Royal Dutch/Shell Group of Companies, told the Institute of Petroleum conference in London today.

Energy companies have a key role to play in responding to three major challenges - meeting growing energy demand, helping the poorest countries develop and safeguarding the environment.

"Companies must constantly seek new ways of satisfying differing and changing needs," said Mr. Moody-Stuart. "This relentless drive is a powerful force for progress."

Setting the poorest countries on the path to sustainable development is an immediate challenge. "What really matters is that the poorest are going backwards. I don't think this will be accepted for much longer in a shrinking world - where their misery is clear to us, and our wealth to them," he said.

Energy companies have a vital role in building energy systems which support development and raise living standards.

Investment also transfers skills and develops capabilities. "Delivering long-term benefits requires taking social and environmental considerations into account. In Shell, we are working to make our commitment to supporting sustainable development a reality in everything we do. "I believe we have the creativity to achieve more than we think - harnessing the ingenuity of our staff."

And action is needed to respond to the threat of global warming. "Energy systems on which billions of people depend can't be shifted abruptly. They must evolve."

Mr Moody-Stuart said Shell companies are contributing by curbing their own greenhouse gas emissions, developing less carbon-intensive gas supplies, and investing in renewables and hydrogen.

And regulatory frameworks should harness the energy, creativity and flexibility of markets. Market based mechanisms for achieving Kyoto targets need to be implemented, said Mr. Moody-Stuart. "The urgent need is for international agreement on a simple, transparent and efficient framework which will enable business to get on with the job. There's a lot of learning to do."

For the speech in full :
http://www.shell.com/library/press/0,1254,4605,00.html